
**Manchester City Council
Report for Resolution**

Report To: Resources and Governance Overview and Scrutiny Committee –
21st October 2010

Subject: Business Planning 2011/14

Report of: Deputy Chief Executive (Performance)
City Treasurer

Summary

The report provides an update on the Council's business and budget planning process for 2011-14 and invites the Committee to select a number of business plan self assessments to review in full at its next meeting.

This report:

- notes the progress of this year's business planning process to date
 - notes the plans which relate to each Overview and Scrutiny Committee
 - invites the Committee to review a number of business plan self assessments for its next meeting
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Wards Affected:

All

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1.0 Introduction

- 1.1 The business planning process is a key component of the Council's Performance Management Framework. Service business plans are essential in linking policy from the overarching Community Strategy to team and individual work plans. Business plans are fundamental in ensuring that:
- Transformation objectives are effectively linked to and integrated within ongoing service improvement activity;
 - Financial resources are utilised to best effect to meet corporate objectives;
 - Workforce planning ensures our human resources can meet the needs of the organisation going forward;
 - Robust performance management mechanisms are in place to measure service performance and identify any issues throughout the year;
 - Risks to the delivery of objectives are identified and mitigated.
- 1.2 A key role of service business plans is to set out how services are providing value for money and utilising their resources to deliver on the Council's agreed policies for Manchester. The Comprehensive Spending Review makes the importance of this process is now even greater.
- 1.3 The business planning process comprises a three year rolling cycle of planning. This year, services have been asked to update their existing plans to take account of changes in the past year both internally and externally and update any relevant data and evidence. An emphasis on integrating transformation activity and business planning has also been strengthened within the process this year.
- 1.4 This year, the business planning process has been strengthened both in response to the comments received from Members and Heads of Service last year, and to reflect the current national and organisational context of changing resources and extensive service transformation. Key to this is a unified approach by the corporate core services to ensure business plans represent a resource for linking together transformation, performance, finance and workforce information.

2.0 Background

- 2.1 Last year saw a fundamental redesign to the way the Council undertakes business planning with the introduction of a three year cycle of business planning and business plans themselves consisting of three distinct elements:

- (i) **'Self Assessment'** – 'where are we now?' - a process of honest self-evaluation and reflection to establish current capability and future capacity to improve;
- (ii) **'Options Appraisal'** – 'where are we going?' – poses a series of fundamental questions to establish how the service will achieve the policy and financial objectives set by the council;
- (iii) **'Business Delivery Plan'** – 'how will we get there' – essentially the "Business Plan" that is communicated to staff and the public which sets out the objectives and performance expectations of the service

- 2.2 This year, the **self assessment** and **delivery plan** components of service business plans are being updated. The options appraisals completed last year represent considerations of strategic options covering the full three-year period and, and as such are not being completed this year.
- 2.3 The revised approach placed a focus on more strongly integrating both financial and service planning and strengthening the mechanism for corporate performance, financial and risk monitoring on an integrated basis to provide a single picture of service performance.
- 2.4 The changes made to the planning process reflected the need for greater scrutiny and challenge of service priorities and resources. The overarching intention of the revised business planning process for 2009 was to improve the way the council considered the entirety of its expenditure, rather than simply growth and reduction at the margins.
- 2.5 The revised process led to a much greater understanding of the Council's policy and financial priorities by services and their incorporation as key themes woven into service business plans.
- 2.6 The process resulted in a balanced budget for the council and a robust and fully integrated Medium Term Financial Plan for 2010-13.

3.0 This Year's Process

- 3.1 Last year's developments proved a positive step in the way we plan and monitor the work of services.
- 3.2 This year's process has built on the successes of last year, with a number of key changes introduced based on learning from last year and feedback from Members and services.
- The ongoing work of Directorate and Council wide transformation programmes will be fully integrated into all areas of business plans and a new 'key changes to be delivered' section has been added to the delivery plan to support services in articulating their transformation activity.

- Work has been undertaken to ensure that financial planning, workforce planning and business planning are fully integrated. The financial planning element of the process has commenced earlier, to ensure that robust financial planning and budget assumptions are prepared early in the process.
 - Business Plans will undergo a fundamental review on a three-year cycle only. This year, plans are being reviewed to ensure the evidence base and needs assessment are fully up to date, for example ensuring that any new priorities arising from the annual Neighbourhood Funding Strategy can be reflected within existing resources. However, in general terms the overall process will focus on what has been delivered and a further emphasis on performance and benchmarking information.
 - The Neighbourhood Funding Strategy (NFS) timeline has been developed to ensure services can articulate NFS intentions in draft delivery plans.
- 3.3 As stated above, there is focus on reviewing existing plans this year. However, this year's planning guidance has also stressed the importance of giving effective consideration to value for money within plans and setting out where work is needed to improve service performance. In addition, close working between transformation, finance, performance and HR/OD has led to an approach to planning which more closely integrates all these areas within one document and sets out an effective governance and management tool for services.
- 3.4 There is a strong focus this year on emphasising the part business plans play in supporting the 'golden thread' of policy, linking frontline delivery to strategic objectives and supporting the vision which flows (both ways) from the Community Strategy, to Business Plans, and then to individual officer work plans. Services have been asked to demonstrate their alignment with the council's four agreed policy priority areas within their plans:
- Neighbourhood focus
 - Worklessness and skills
 - 0-5s
 - The Environment.
- 3.5 There remains a strong focus within the planning process on maintaining a strict timeline of activity. This adherence to the agreed process and timescales is essential to supporting the organisation to be in the best possible situation to respond positively to the financial settlement from government and continue to deliver on priorities.
- 3.6 An overview of this year's business planning timescales is attached as Appendix 1.

4.0 Business Plan Self Assessments

- 4.1 The principal purpose of the self assessment is to provide an honest overview of service performance and activity which can be utilised as the key resource for guiding the delivery plan component of the business plan. The self assessment is, in effect, a management document which provides a core part of the evidence base for the subsequent delivery plan which sets out the direction of travel for the service.
- 4.2 The business plan self assessment is the first part of the business planning process. This year, services have been asked to update their existing self assessments to take account of the national and local context and update the data and evidence used.
- 4.3 Services were asked to give particular focus to four areas:
- How the service delivers value for money – (in particular within section 3 ‘costs and efficiencies’ of the self assessment);
 - Achievements in the past year against their business plan objectives – (in particular within sections 4 and 5, ‘performance’ and ‘outcomes and customer satisfaction’ of the self assessment);
 - Their ‘capacity to change’ – (Considering specifically the comments in the ‘capacity to deliver’ section (section 6) of the existing self assessment and with a focus on the revised corporate values of *people, pride and place*. Services should consider how they are likely to change over the coming three years);
 - How the service supports the four corporate policy priorities of neighbourhood focus, the environment, worklessness and skills, and ‘think family’.
- 4.4 This year, the delivery plan will act as a stand alone document and, in effect, represent the ‘business plan’ which is communicated to staff, partners and the public. The self assessment nevertheless remains an essential component of the planning process and a key tool for completing the delivery plan.
- 4.5 All self assessments have been reviewed corporately to provide support to services in ensuring that plans provide the best possible overview of service performance and activity, with a particular emphasis on the four policy focus areas discussed above.
- 4.6 The committee is invited to select a number of self assessments to review at its 16 December meeting. To assist RAGOS in identifying which self assessments they may wish to consider, a list of business plans is attached as Appendix 2.

- 4.7 Appendix 3 details the business plans reviewed by scrutiny committees last year. RAGOS may wish to review plans this year which were not considered by scrutiny last year. There are two principal reasons for this suggestion:
- The plans are three-year plans and so will only be revised from last year, therefore the change over one year may not, in some cases, be substantial;
 - Reviewing different plans should help to ensure some areas are not looked at excessively and others ignored.
- 4.8 It should be stressed that, as discussed above, the primary purpose of self assessments is to act as an internal evidence base to support services in completing the delivery plan component of their business plans. The self assessment is also a constantly evolving document and will continue to be updated throughout the year as new information becomes available and the local and national context changes.
- 4.9 It should be noted that, this year, two new business plans are being completed for the first time:
- A Human Resources Business Plan, reflecting the newly formed HR service combining the former Personnel and Organisational Development functions;
 - A Private Sector Housing Business Plan to reflect the newly transformed service as part of the Neighbourhood Services Directorate.
- 4.10 This year, no business plan will be produced for the transport policy unit. This reflects the unit's evolving role and place within wider discussions around the coordination of transport functions across Greater Manchester.
- 4.11 It should also be noted that the Joint Health Unit, as a partnership between the local authority and NHS Manchester, has developed a slightly different planning structure. Therefore, no formal self assessment for the unit is available. However, a delivery plan specifically tailored to the nature of the unit is being produced.

5.0 Next Steps for Business Planning

- 5.1 All overview and scrutiny committees will receive a report in December inviting them to select a number of full business plans to review at January committee meetings. Specific reports will also be provided to this Committee on the integration of business continuity within business planning and the Neighbourhood Funding Strategy. A report considering the equalities component of business plans will also be submitted to the Citizenship and Inclusion Overview and Scrutiny Committee in January.

Appendix 1 – Headline Business Planning Timeline

Date	Activity
14 July 2010	Launch of business planning self assessment guidance
21 July 2010	Financial guidance for business planning issued to Heads of Service and Heads of Finance
11 August 2010	Revised full business planning guidance complete and issued
August and September	Workforce development workshops
16 August 2010	Service self assessments completed and returned
16 August – 5 September 2010	Review of self assessments by Corporate Performance and policy priority leads
16 August - 20 September 2010	Lunchtime seminars for service business planning leads, covering the delivery plan component of business plans
18 August	Heads of Finance return draft finance templates to the strategic planning team
23 August	SMT / Heads of Service meeting to update on business planning and transformation
Early September	Updated financial guidelines issued
14 October 2010	Draft full business plans completed and returned
21 October 2010	RAGOS selects a number of self assessments to review in November.
14 October - 1 November 2010	Review of full business plans by Corporate Performance and professional leads
18 November 2010	RAGOS reviews a number of business plan self assessments
November 2010	Medium Term Financial Strategy Presented to the Executive
14 December 2010	The Children and Young People's and Communities and Neighbourhood's Overview and Scrutiny Committees select a number of full business plans to review in January.

Date	Activity
15 December 2010	<p>The Economy, Employment and Skills Overview and Scrutiny Committee selects a number of full business plans to review in January.</p> <p>The Citizenship and Inclusion Overview and Scrutiny Committee selects a number of full business plans to review in January, with a specific focus on equality plans.</p>
16 December 2010	The Health and Wellbeing and Resources and Governance Overview and Scrutiny Committees select a number of full business plans to review in January.
16 December 2010	Final business plans submitted to corporate performance
11 January 2011	The Children and Young People's and Communities and Neighbourhood's Overview and Scrutiny Committees review a number of full business plans.
12 January 2011	<p>The Economy, Employment and Skills Overview and Scrutiny Committee reviews a number of full business plans.</p> <p>The Citizenship and Inclusion Overview and Scrutiny Committee reviews number of full business plans, with a specific focus on equality plans.</p>
13 January	<p>The Health and Wellbeing and Resources and Governance Overview and Scrutiny Committees reviews a number of full business plans.</p> <p>The Resources and Governance Overview and Scrutiny Committee receives specific reports on business continuity and the neighbourhood funding strategy within the business planning process</p>
February 2011	Medium Term Financial Plan Agreed
28 February 2011	Resources and Governance Overview and Scrutiny Committee (Budget Review)
9 March 2011	Budget Council
1 April 2011	Business plans operational
1 April 2011 - 31 March 2012	Service business plans used to drive team and individual work programmes and service performance management

Appendix 2 – Business Plans 2011-14

Directorate	Business Plan	Lead Overview and Scrutiny Committee
Children's Services	Children's Services	Children and Young People
Directorate for Adults	Directorate for Adults	Health and Wellbeing Citizenship and Inclusion
Neighbourhood Services	Street Management and Enforcement	Communities and Neighbourhoods
	Trading Services	Resources and Governance
	Leisure	Communities and Neighbourhoods
	Environmental Strategy	Communities and Neighbourhoods
	Libraries and Information Services	Communities and Neighbourhoods
	Library Theatre Company	Communities and Neighbourhoods
	Private Sector Housing	Communities and Neighbourhoods
	Highways	Communities and Neighbourhoods
Corporate Services	Capital Programmes	Resources and Governance
	Revenues and Benefits	Resources and Governance
	Corporate Property	Resources and Governance
	Corporate Procurement	Resources and Governance
	Financial Management	Resources and Governance
	Internal Audit and Risk Management	Resources and Governance
Chief Executive's (Regeneration)	Culture / Manchester Galleries	Communities and Neighbourhood
	Regeneration and City Policy	Economy, Employment and Skills
	Planning	Communities and Neighbourhoods
	Strategic Housing	Communities and Neighbourhoods
	Adult Education	Economy, Employment and Skills
Chief Executive's (Performance)	Corporate Performance	Resources and Governance
	Crime and Disorder	Citizenship and Inclusion
	Joint Health Unit	Health and Wellbeing
	HR/OD	Resources and Governance
Chief Executive's (City Solicitor)	Legal Services	Resources and Governance
	Democratic Services	Resources and Governance
Chief Executive's (Communications)	Communication	Resources and Governance
Directorate of Transformation	ICT	Resources and Governance
	Transformation	Resources and Governance

Appendix 3 – Business Plans Selected for Scrutiny Last Year

Overview and Scrutiny Committee	Plans Selected for Review
Children and Young People	Children's Services
Communities and Neighbourhoods	Strategic Housing Street Management Leisure Planning
Economy, Employment and Skills	Regeneration Adult Education
Citizenship and Inclusion	Crime & Disorder Children's Services (Equalities Plan) Strategic Housing (Equalities Plan)
Resources and Governance	Leisure Communications Leisure (self assessment only) Communications (self assessment only) Democratic and Statutory Services (self assessment only) Legal Services (self assessment only)
Health and Wellbeing	Adult Social Care Joint Health Unit